

**QUARTERLY STATEMENT**

**OF THE**

**DELTA DENTAL PLAN**

**OF**

**ARKANSAS, INC.**

**of SHERWOOD**

**in the state of ARKANSAS**

**TO THE**

**Insurance Department**

**OF THE**

**STATE OF ARKANSAS**

**FOR THE QUARTER ENDED  
September 30, 2005**

**HEALTH**

**2005**



47155200520100100

HEALTH QUARTERLY STATEMENT

AS OF SEPTEMBER 30, 2005  
OF THE CONDITION AND AFFAIRS OF THE

Delta Dental Plan of Arkansas, Inc.

NAIC Group Code 0000 0000 NAIC Company Code 47155 Employer's ID Number 71-0561140  
(Current Period) (Prior Period)

Organized under the Laws of Arkansas, State of Domicile or Port of Entry Arkansas

Country of Domicile

Licensed as business type: Life, Accident & Health [ ] Property/Casualty [ ] Hospital, Medical & Dental Service or Indemnity [X]  
Dental Service Corporation [ ] Vision Service Corporation [ ] Health Maintenance Organization [ ]  
Other [ ] Is HMO Federally Qualified? YES [ ] NO [ ]

Incorporated/Organized: March 15, 1982 Commenced Business: August 1, 1982

Statutory Home Office: 1513 Country Club Road Sherwood, AR 72120

Main Administrative Office: 1513 Country Club Road Sherwood, AR 72120 501-835-3400

Mail Address: 1513 Country Club Road Sherwood, AR 72120

Primary Location of Books and Records: 1513 Country Club Road Sherwood, AR 72120 501-835-3400

Internet Website Address: www.deltadentalar.com

Statutory Statement Contact: Phyllis Rogers 501-992-1616  
progers@deltadentalar.com 501-992-1617

Policyowner Relations Contact: 1513 Country Club Road Sherwood, AR 72120 501-835-3400

OFFICERS

	Name	Title
1.	Eddie Allen Choate	President/CEO
2.	Ebb Weldon Johnson	Secretary
3.	Harold Wayne Perrin	Treasurer

Vice-Presidents

Name	Title	Name	Title
Ina Lynn Harbert	Senior Vice President and COO	Phyllis Lynn Rogers	Senior Vice President and CFO
Herman Eldon Hurd	Vice President of Provider Relations	Lynne Belue Lawrence	Vice President of Marketing
Allen Dale Moore	Vice President of Information Technology		

DIRECTORS OR TRUSTEES

David Hiram Cole	Ronald Paul Ownbey	Harold Wayne Perrin	Robert Joe Matlock
Earl Alexander Gladden	Robert Howard Gladden	Ebb Weldon Johnson	James Talbert Johnston
Daniel Austin Lieblong	Byron Scott Southern	Paul David Fitzgerald #	

State of Arkansas  
County of Pulaski ss

The officers of this reporting entity being duly sworn, each depose and say that they are the described officers of said reporting entity, and that on the reporting period stated above, all of the herein described assets were the absolute property of the said reporting entity, free and clear from any liens or claims thereon, except as herein stated, and that this statement, together with related exhibits, schedules and explanations therein contained, annexed or referred to, is a full and true statement of all the assets and liabilities and of the condition and affairs of the said reporting entity as of the reporting period stated above, and of its income and deductions therefrom for the period ended, and have been completed in accordance with the NAIC Annual Statement Instructions and Accounting Practices and Procedures manual except to the extent that: (1) state law may differ; or, (2) that state rules or regulations require differences in reporting not related to accounting practices and procedures, according to the best of their information, knowledge and belief, respectively. Furthermore, the scope of this attestation by the described officers also includes the related corresponding electronic filing with the NAIC, when required, that is an exact copy (except for formatting differences due to electronic filing) of the enclosed statement. The electronic filing may be requested by various regulators in lieu of or in addition to the enclosed statement.

(Signature)	(Signature)	(Signature)
Eddie Allen Choate	Ebb Weldon Johnson	Not Required
(Printed Name)	(Printed Name)	(Printed Name)
1.	2.	3.
President/CEO	Secretary	Treasurer
(Title)	(Title)	(Title)

Subscribed and sworn to before me this 14th day of November, 2005  
a. Is this an original filing? YES [X] NO [ ]  
b. If no: 1. State the amendment number  
2. Date filed  
3. Number of pages attached

ASSETS

	Current Statement Date			4  December 31 Prior Year Net Admitted Assets
	1  Assets	2  Nonadmitted Assets	3  Net Admitted Assets (Cols. 1 - 2)	
1. Bonds	13,212,391		13,212,391	15,684,169
2. Stocks:				
2.1 Preferred stocks				
2.2 Common stocks	6,807,760	46,000	6,761,760	3,503,068
3. Mortgage loans on real estate:				
3.1 First liens				
3.2 Other than first liens				
4. Real estate:				
4.1 Properties occupied by the company (less \$ 0 encumbrances)	6,709,178	2,874,655	3,834,523	3,610,163
4.2 Properties held for the production of income (less \$ 0 encumbrances)				
4.3 Properties held for sale (less \$ 0 encumbrances)	964,453		964,453	964,453
5. Cash (\$ 5,292,443 ), cash equivalents (\$ 0 ) and short-term investments (\$ 0 )	5,292,443		5,292,443	6,631,884
6. Contract loans (including \$ 0 premium notes)				
7. Other invested assets				
8. Receivables for securities				
9. Aggregate write-ins for invested assets				
10. Subtotals, cash and invested assets (Lines 1 to 9)	32,986,225	2,920,655	30,065,570	30,393,737
11. Title plants less \$ 0 charged off (for Title insurers only)				
12. Investment income due and accrued	123,104		123,104	138,536
13. Premiums and considerations:				
13.1 Uncollected premiums and agents' balances in the course of collection	323,342		323,342	611,585
13.2 Deferred premiums, agents' balances and installments booked but deferred and not yet due (including \$ 0 earned but unbilled premiums)				
13.3 Accrued retrospective premiums				
14. Reinsurance:				
14.1 Amounts recoverable from reinsurers				
14.2 Funds held by or deposited with reinsured companies				
14.3 Other amounts receivable under reinsurance contracts				
15. Amounts receivable relating to uninsured plans	5,232,870		5,232,870	4,146,591
16.1 Current federal and foreign income tax recoverable and interest thereon				
16.2 Net deferred tax asset				
17. Guaranty funds receivable or on deposit				
18. Electronic data processing equipment and software	2,154,230	265,900	1,888,330	705,841
19. Furniture and equipment, including health care delivery assets (\$ 0 )	550,859		550,859	
20. Net adjustment in assets and liabilities due to foreign exchange rates				
21. Receivables from parent, subsidiaries and affiliates	148,532		148,532	92,565
22. Health care (\$ 0 ) and other amounts receivable	272,554	259,933	12,621	12,775
23. Aggregate write-ins for other than invested assets				
24. Total assets excluding Separate Accounts, Segregated Accounts and Protected Cell Accounts (Lines 10 to 23)	41,791,716	3,446,488	38,345,228	36,101,630
25. From Separate Accounts, Segregated Accounts and Protected Cell Accounts				
26. Total (Lines 24 and 25)	41,791,716	3,446,488	38,345,228	36,101,630

DETAILS OF WRITE-INS				
0901. 457 Deferred Compensation Plan				
0902.				
0903.				
0998. Summary of remaining write-ins for Line 09 from overflow page				
0999. Totals (Lines 0901 through 0903 plus 0998) (Line 09 above)				
2301.				
2302.				
2303.				
2398. Summary of remaining write-ins for Line 23 from overflow page				
2399. Totals (Lines 2301 through 2303 plus 2398) (Line 23 above)				

LIABILITIES, CAPITAL AND SURPLUS

	Current Period			Prior Year
	1 Covered	2 Uncovered	3 Total	4 Total
1. Claims unpaid (less \$ 0 reinsurance ceded)	2,099,000		2,099,000	2,505,000
2. Accrued medical incentive pool and bonus amounts				
3. Unpaid claims adjustment expenses	91,074		91,074	108,923
4. Aggregate health policy reserves				
5. Aggregate life policy reserves				
6. Property/casualty unearned premium reserve				
7. Aggregate health claim reserves				
8. Premiums received in advance	812,872		812,872	785,267
9. General expenses due or accrued	1,189,997		1,189,997	1,205,041
10.1 Current federal and foreign income tax payable and interest thereon (including \$ 0 on realized gains (losses))				
10.2 Net deferred tax liability				
11. Ceded reinsurance premiums payable				
12. Amounts withheld or retained for the account of others				522,433
13. Remittances and items not allocated				
14. Borrowed money (including \$ 0 current) and interest thereon \$ 0 (including \$ 0 current)				2,000,000
15. Amounts due to parent, subsidiaries and affiliates				
16. Payable for securities				
17. Funds held under reinsurance treaties with (\$ 0 authorized reinsurers and \$ 0 unauthorized reinsurers)				
18. Reinsurance in unauthorized companies				
19. Net adjustments in assets and liabilities due to foreign exchange rates				
20. Liability for amounts held under uninsured accident and health plans	2,414,768		2,414,768	2,328,057
21. Aggregate write-ins for other liabilities (including \$ 0 current)	653,000		653,000	
22. Total liabilities (Lines 1 to 21)	7,260,711		7,260,711	9,454,721
23. Aggregate write-ins for special surplus funds	X X X	X X X		
24. Common capital stock	X X X	X X X		
25. Preferred capital stock	X X X	X X X		
26. Gross paid in and contributed surplus	X X X	X X X		
27. Surplus notes	X X X	X X X		
28. Aggregate write-ins for other than special surplus funds	X X X	X X X	50,000	50,000
29. Unassigned funds (surplus)	X X X	X X X	31,034,517	26,596,909
30. Less treasury stock, at cost:				
30.1 0 shares common (value included in Line 24 \$ 0 )	X X X	X X X		
30.2 0 shares preferred (value included in Line 25 \$ 0 )	X X X	X X X		
31. Total capital and surplus (Lines 23 to 29 minus Line 30)	X X X	X X X	31,084,517	26,646,909
32. Total liabilities, capital and surplus (Lines 22 and 31)	X X X	X X X	38,345,228	36,101,630

DETAILS OF WRITE-INS				
2101. Escheat Liability	653,000		653,000	
2102.				
2103.				
2198. Summary of write-ins for Line 21 from overflow page				
2199. Totals (Lines 2101 through 2103 plus 2198) (Line 21 above)	653,000		653,000	
2301.	X X X	X X X		
2302.	X X X	X X X		
2303.	X X X	X X X		
2398. Summary of write-ins for Line 23 from overflow page	X X X	X X X		
2399. Totals (Lines 2301 through 2303 plus 2398) (Line 23 above)	X X X	X X X		
2801. Surplus required by the Arkansas Insurance Department	X X X	X X X	50,000	50,000
2802.	X X X	X X X		
2803.	X X X	X X X		
2898. Summary of write-ins for Line 28 from overflow page	X X X	X X X		
2899. Totals (Lines 2801 through 2803 plus 2898) (Line 28 above)	X X X	X X X	50,000	50,000

STATEMENT OF REVENUE AND EXPENSES

	Current Year To Date		Prior Year To Date
	1	2	3
	Uncovered	Total	Total
1. Member Months	X X X	1,060,977	1,031,891
2. Net premium income (including \$ 0 non-health premium income)	X X X	42,126,718	39,289,180
3. Change in unearned premium reserves and reserve for rate credits	X X X		
4. Fee-for-service (net of \$ 0 medical expenses)	X X X		
5. Risk revenue	X X X		
6. Aggregate write-ins for other health care related revenues	X X X		
7. Aggregate write-ins for other non-health revenues	X X X	31,454	30,372
8. Total revenues (Lines 2 to 7)	X X X	42,158,172	39,319,552
<b>Hospital and Medical:</b>			
9. Hospital/medical benefits		34,430,080	33,158,759
10. Other professional services			
11. Outside referrals			
12. Emergency room and out-of-area			
13. Prescription drugs			
14. Aggregate write-ins for other hospital and medical			
15. Incentive pool, withhold adjustments and bonus amounts			
16. Subtotal (Lines 9 to 15)		34,430,080	33,158,759
<b>Less:</b>			
17. Net reinsurance recoveries			
18. Total hospital and medical (Lines 16 minus 17)		34,430,080	33,158,759
19. Non-health claims (net)			
20. Claims adjustment expenses, including \$ 0 cost containment expenses		2,698,459	1,649,317
21. General administrative expenses		1,798,972	2,373,408
22. Increase in reserves for life and accident and health contracts (including \$ 0 increase in reserves for life only)			
23. Total underwriting deductions (Lines 18 through 22)		38,927,511	37,181,484
24. Net underwriting gain or (loss) (Lines 8 minus 23)	X X X	3,230,661	2,138,068
25. Net investment income earned		626,684	518,175
26. Net realized capital gains (losses) less capital gains tax of \$ 0		340,305	10,600
27. Net investment gains (losses) (Lines 25 plus 26)		966,989	528,775
28. Net gain or (loss) from agents' or premium balances charged off [( amount recovered \$ 0 ) (amount charged off \$ 0 )]			
29. Aggregate write-ins for other income or expenses			
30. Net income or (loss) after capital gains tax and before all other federal income taxes (Lines 24 plus 27 plus 28 plus 29)	X X X	4,197,650	2,666,843
31. Federal and foreign income taxes incurred	X X X		
32. Net income (loss) (Lines 30 minus 31)	X X X	4,197,650	2,666,843

DETAILS OF WRITE-INS			
0601.	X X X		
0602.	X X X		
0603.	X X X		
0698. Summary of remaining write-ins for Line 6 from overflow page	X X X		
0699. Totals (Lines 0601 through 0603 plus 0698) (Line 6 above)	X X X		
0701. Miscellaneous Income	X X X	31,454	30,372
0702.	X X X		
0703.	X X X		
0798. Summary of remaining write-ins for Line 07 from overflow page	X X X		
0799. Totals (Lines 0701 through 0703 plus 0798) (Line 7 above)	X X X	31,454	30,372
1401.			
1402.			
1403.			
1498. Summary of remaining write-ins for Line 14 from overflow page			
1499. Totals (Lines 1401 through 1403 plus 1498) (Line 14 above)			
2901.			
2902.			
2903.			
2998. Summary of remaining write-ins for Line 29 from overflow page			
2999. Totals (Lines 2901 through 2903 plus 2998) (Line 29 above)			

STATEMENT OF REVENUE AND EXPENSES (Continued)

	1	2	3
	Current Year To Date	Prior Year To Date	Prior Year
CAPITAL & SURPLUS ACCOUNT			
33. Capital and surplus prior reporting year	26,646,909	20,347,766	20,347,766
GAINS AND LOSSES TO CAPITAL & SURPLUS			
34. Net income or (loss) from Line 32	4,197,650	2,666,843	4,301,860
35. Change in valuation basis of aggregate policy and claim reserves			
36. Change in net unrealized capital gains (losses) less capital gains tax of \$ 0	266,522	22,525	183,838
37. Change in net unrealized foreign exchange capital gain or (loss)			
38. Change in net deferred income tax			
39. Change in nonadmitted assets	(26,564)	1,528,387	1,813,445
40. Change in unauthorized reinsurance			
41. Change in treasury stock			
42. Change in surplus notes			
43. Cumulative effect of changes in accounting principles			
44. Capital Changes:			
44.1 Paid in			
44.2 Transferred from surplus (Stock Dividend)			
44.3 Transferred to surplus			
45. Surplus adjustments:			
45.1 Paid in			
45.2 Transferred to capital (Stock Dividend)			
45.3 Transferred from capital			
46. Dividends to stockholders			
47. Aggregate write-ins for gains or (losses) in surplus			
48. Net change in capital and surplus (Lines 34 to 47)	4,437,608	4,217,755	6,299,143
49. Capital and surplus end of reporting period (Line 33 plus 48)	31,084,517	24,565,521	26,646,909

DETAILS OF WRITE-INS			
4701.			
4702.			
4703.			
4798. Summary of remaining write-ins for Line 47 from overflow page			
4799. Totals (Lines 4701 through 4703 plus 4798) (Line 47 above)			

CASH FLOW

Cash from Operations	1 Current Year To Date	2 Prior Year Ended December 31
1. Premiums collected net of reinsurance	42,442,566	52,866,936
2. Net investment income	1,051,538	605,325
3. Miscellaneous income	31,454	326,910
4. Total (Lines 1 to 3)	43,525,558	53,799,171
5. Benefit and loss related payments	34,836,080	43,837,962
6. Net transfers to Separate, Segregated Accounts and Protected Cell Accounts		
7. Commissions, expenses paid and aggregate write-ins for deductions	4,530,324	6,721,347
8. Dividends paid to policyholders		
9. Federal and foreign income taxes paid (recovered) \$ 0 net of tax on capital gains (losses)		
10. Total (Lines 5 through 9)	39,366,404	50,559,309
11. Net cash from operations (Line 4 minus Line 10)	4,159,154	3,239,862
Cash from Investments		
12. Proceeds from investments sold, matured or repaid:		
12.1 Bonds	8,853,727	5,482,216
12.2 Stocks	5,597,312	
12.3 Mortgage loans		
12.4 Real estate		
12.5 Other invested assets		
12.6 Net gains or (losses) on cash, cash equivalents and short-term investments		
12.7 Miscellaneous proceeds		204,172
12.8 Total investment proceeds (Lines 12.1 to 12.7)	14,451,039	5,686,388
13. Cost of investments acquired (long-term only):		
13.1 Bonds	6,298,071	6,054,557
13.2 Stocks	8,429,713	
13.3 Mortgage loans		
13.4 Real estate	473,277	
13.5 Other invested assets		
13.6 Miscellaneous applications		
13.7 Total investments acquired (Lines 13.1 to 13.6)	15,201,061	6,054,557
14. Net increase (or decrease) in contract loans and premium notes		
15. Net cash from investments (Line 12.8 minus Line 13.7 and Line 14)	(750,022)	(368,169)
Cash from Financing and Miscellaneous Sources		
16. Cash provided (applied):		
16.1 Surplus notes, capital notes		
16.2 Capital and paid in surplus, less treasury stock		
16.3 Borrowed funds	(2,000,000)	
16.4 Net deposits on deposit-type contracts and other insurance liabilities		
16.5 Dividends to stockholders		
16.6 Other cash provided (applied)	(2,748,573)	(534,744)
17. Net cash from financing and miscellaneous sources (Line 16.1 through 16.4 minus Line 16.5 plus 16.6)	(4,748,573)	(534,744)
RECONCILIATION OF CASH, CASH EQUIVALENTS AND SHORT-TERM INVESTMENTS		
18. Net change in cash, cash equivalents and short-term investments (Line 11, plus Lines 15 and 17)	(1,339,441)	2,336,949
19. Cash, cash equivalents and short-term investments:		
19.1 Beginning of year	6,631,884	4,294,935
19.2 End of period (Line 18 plus Line 19.1)	5,292,443	6,631,884

Note: Supplemental disclosures of cash flow information for non-cash transactions:

20.0001.		
20.0002.		
20.0003.		

EXHIBIT OF PREMIUMS, ENROLLMENT AND UTILIZATION

	1	Comprehensive (Hospital & Medical)		4	5	6	7	8	9	10	11	12	13
	Total	2 Individual	3 Group	Medicare Supplement	Vision Only	Dental Only	Federal Employees Health Benefit Plan	Title XVIII Medicare	Title XIX Medicaid	Stop Loss	Disability Income	Long-Term Care	Other
Total Members at end of:													
1. Prior Year	118,331					118,331							
2. First Quarter	118,350					118,350							
3. Second Quarter	119,487					119,487							
4. Third Quarter	117,386					117,386							
5. Current Year													
6. Current Year Member Months	1,060,977					1,060,977							
Total Member Ambulatory Encounters for Period:													
7. Physician													
8. Non-Physician													
9. Total													
10. Hospital Patient Days Incurred													
11. Number of Inpatient Admissions													
12. Health Premiums Written	42,442,566					42,442,566							
13. Life Premiums Direct													
14. Property/Casualty Premiums Written													
15. Health Premiums Earned	42,126,718					42,126,718							
16. Property/Casualty Premiums Earned													
17. Amount Paid for Provision of Health Care Services	34,836,080					34,836,080							
18. Amount Incurred for Provision of Health Care Services	34,430,080					34,430,080							



**CLAIMS UNPAID AND INCENTIVE POOL, WITHHOLD AND BONUS (Reported and Unreported)**  
Aging Analysis of Unpaid Claims

[illegible]

UNDERWRITING AND INVESTMENT EXHIBIT

ANALYSIS OF CLAIMS UNPAID-PRIOR YEAR-NET OF REINSURANCE

Line of Business	Claims Paid Year to Date		Liability End of Current Quarter		5	6
	1  On Claims Incurred Prior to January 1 of Current Year	2  On Claims Incurred During the Year	3  On Claims Unpaid Dec. 31 of Prior Year	4  On Claims Incurred During the Year	Claims Incurred in Prior Years (Columns 1 + 3)	Estimated Claim Reserve and Claim Liability Dec. 31 of Prior Year
1. Comprehensive (hospital and medical)						
2. Medicare Supplement						
3. Dental only	2,223,798	32,612,282	47,011	2,051,989	2,270,809	2,505,000
4. Vision only						
5. Federal Employees Health Benefits Plan						
6. Title XVIII - Medicare						
7. Title XIX - Medicaid						
8. Other health						
9. Health subtotal (Lines 1 to 8)	2,223,798	32,612,282	47,011	2,051,989	2,270,809	2,505,000
10. Healthcare receivables (a)						
11. Other non-health						
12. Medical incentive pools and bonus amounts						
13. Totals	2,223,798	32,612,282	47,011	2,051,989	2,270,809	2,505,000

(a) Excludes \$ 0 loans or advances to providers not yet expensed.

**NOTES TO FINANCIAL STATEMENTS**

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

No significant change.

**NOTE 2 - ACCOUNTING CHANGES AND CORRECTIONS OF ERRORS**

None.

**NOTE 3 - BUSINESS COMBINATIONS AND GOODWILL**

None.

**NOTE 4 - DISCONTINUED OPERATIONS**

None.

**NOTE 5 - INVESTMENTS**

No significant change.

**NOTE 6 - JOIN VENTURES, PARTNERSHIPS AND LIMITED LIABILITY COMPANIES**

None.

**NOTE 7 - INVESTMENT INCOME**

No significant change.

**NOTE 8 - DERIVATIVE INSTRUMENTS**

None.

**NOTE 9 - INCOME TAXES**

No significant change.

**NOTE 10 - INFORMATION CONCERNING PARENT, SUBSIDIARIES AND AFFILIATES**

No significant change.

**NOTE 11 - DEBT**

b. On February 18, 2005 our Board of Directors voted to renew our \$2,000,000 emergency line of credit and \$350,000 overdraft protection line of credit for another year. Both lines of credit are with Metropolitan National Bank and continue with the same terms and conditions.

Our Board also voted to payoff the \$2,000,000 balance of the line of credit at Bank of America. This line of credit was previously used during the construction of the new office facilities.

**NOTE 12 - RETIREMENT PLANS, DEFERRED COMPENSATION, POSTEMPLOYMENT BENEFITS AND COMPENSATED ABSENCES AND OTHER POSTRETIREMENT BENEFIT PLANS**

No significant change.

**NOTE 13 - CAPITAL AND SURPLUS, SHAREHOLDERS' DIVIDEND RESTRICTIONS AND QUASI-REORGANIZATIONS**

9. (a) Unrealized gains on US Treasury Bonds, agency securities and common stock totaled \$424,854 at September 30, 2005.
- (b) Non-admitted assets, excluding the adjustment for investment carrying value, totaled \$3,446,488 at September 30, 2005.

**NOTE 14 - CONTINGENCIES**

In 2005, the organization entered into a consulting agreement with DTC Consulting, LLC (DTC) to act as the project manager for the claims system conversion project. Under terms of the contract, the organization is billed \$125 an hour for consulting services and will reimburse DTC for "all reasonable expenses" associated with its consulting services. Monthly expenditures relating to the agreement are approximately \$22,000. The conversion project should conclude in November 2005; however no termination date has been set for this consulting agreement.

**NOTE 15 - LEASES**

On March 31, 2005, the organization executed a two year rental agreement with board member Dr. Daniel Lieblong to lease 4,000 square feet of office space for use as a disaster recovery site. The agreement has an effective date of March 1, 2005 and requires monthly lease payments of \$2,500 plus

NOTES TO FINANCIAL STATEMENTS

reimbursement of utility costs in excess of \$500. The agreement expires on February 28, 2007 and may be terminated with 180 days prior notice.

NOTE 16 - INFORMATION ABOUT FINANCIAL INSTRUMENTS WITH OFF-BALANCE SHEET RISK AND FINANCIAL INSTRUMENTS WITH CONCENTRATIONS OF CREDIT RISK

None.

NOTE 17 - SALE, TRANSFER AND SERVICING OF FINANCIAL ASSETS AND EXTINGUISHMENT OF LIABILITIES

None.

NOTE 18 - GAIN OR LOSS TO THE REPORTING ENTITY FROM UNINSURED PLANS AND FROM THE UNINSURED PORTION OF PARTIALLY INSURED PLANS

b. The gain from operations from Administrative Services Contract (ASC) uninsured plans and the uninsured portion of partially insured plans were as follows for the years ended September 30, 2005:

		<u>2005</u>
(a)	Gross reimbursement for medical costs incurred	\$ 131,992,218
(b)	Gross Administrative fees accrued	8,058,542
(c)	Other income and expenses	0
(d)	Gross expenses incurred	<u>(140,050,760)</u>
(e)	Total net gain or loss from operations	\$ <u>0</u>

NOTE 19 - DIRECT PREMIUMS WRITTEN OR PRODUCED BY MANAGING GENERAL AGENTS OR THIRD PARTY ADMINISTRATORS

None.

NOTE 20 - SEPTEMBER 11 EVENTS

None.

NOTE 21 - OTHER ITEMS

On September 7, 2005 Delta Dental Plan of Arkansas, Inc. purchased a building at 27010 Highway 107, Cabot, Arkansas for a permanent disaster recovery site. This purchase includes 8 acres of land and a one story pre-engineered metal industrial building. It has a gross building area of 10,800 square feet with a finished office space with approximately 1,200 square feet. The cost of this building was \$392,320.50. This building is classified as property occupied by the company since we plan to move our current disaster recovery site to this facility next year after the building is fully functional.

NOTE 22 - EVENTS SUBSEQUENT

In early 2005, Delta Dental Plan of Arkansas, Inc. made the decision to convert to a new claims processing system. The new claims processing system is owned by Delta Dental of Virginia, Inc. and will be licensed to our organization for use. In addition to gains in efficiency and data integration, benefits will result from the software being installed and run on our computer equipment and administered by our IT Staff.

The contract for this purchase was finalized in May 2005 and requires a software licensing fee of \$1,250,000, payable in three installments. The first installment of \$500,000 is due at the execution of the agreement, a second \$500,000 is due upon implementation of the conversion and the final \$250,000 is due thirty days after the implementation is complete. In addition, a workstation licensing fee of \$1,650 will be paid for each PC workstation installation. An annual maintenance fee calculated as 18% of the total licensing fees will also be paid to Delta Dental of Virginia, Inc. each year.

In connection with the claims processing system conversion, the organization is also converting its financial reporting software package. This conversion will allow for maximum integration with the claims processing system and allow for additional automation of claims and accounting activities. This conversion will be complete in November 2005.

The organization has retained BKD, LLP as its new audit firm. For the calendar year 2005, BKD, LLP will perform the GAAP, Statutory and 401(k) audits for the organization.

NOTE 23 - REINSURANCE

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**NOTES TO FINANCIAL STATEMENTS**

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None.

**NOTE 24 - RETROSPECTIVELY RATED CONTRACTS AND CONTRACTS SUBJECT TO REDETERMINATION**

None.

**NOTE 25 - CHANGE IN INCURRED CLAIMS AND CLAIMS ADJUSTMENT EXPENSES**

The reserve for incurred claims and claim adjustment expenses attributable to insured events increased \$406,000 from \$2,505,000 December 31, 2004 to \$2,099,000 at September 30, 2005. This increase is a result of the re-estimation of unpaid claims and claim adjustment expenses principally related to dental insurance. Original estimates are increased and decreased as additional information becomes available regarding individual claims and as a result of the ongoing analysis of recent loss development trends.

**NOTE 26 - INTERCOMPANY POOLING ARRANGEMENTS**

None.

**NOTE 27 - STRUCTURED SETTLEMENTS**

None.

**NOTE 28 - HEATH CARE RECEIVABLES**

None.

**NOTE 29 - PARTICIPATING POLICIES**

None.

**NOTE 30 - PREMIUM DEFICIENCY RESERVES**

None.

**NOTE 31 - ANTICIPATED SALVAGE AND SUBROGATION**

None.

GENERAL INTERROGATORIES

(Responses to these interrogatories should be based on changes that have occurred since prior year end unless otherwise noted)

PART 1 - COMMON INTERROGATORIES

GENERAL

- 1.1

Did the reporting entity implement any significant accounting policy changes that would require disclosure in the Notes to the Financial Statements?

Yes [ ☐ ] No [ ☒ ]
- 1.2

If yes, explain:
- 2.1

Did the reporting entity experience any material transactions requiring the filing of Disclosure of Material Transactions with the State of Domicile, as required by the Model Act?

Yes [ ☐ ] No [ ☒ ]
- 2.2

If yes, has the report been filed with the domiciliary state?

Yes [ ☐ ] No [ ☒ ]
- 3.1

Has any change been made during the year of this statement in the charter, by-laws, articles of incorporation, or deed of settlement of the reporting entity?

Yes [ ☒ ] No [ ☐ ]
- 3.2

If yes, date of change: 

07/29/2005

If not previously filed, furnish herewith a certified copy of the instrument as amended.
4.

Have there been any substantial changes in the organizational chart since the prior quarter end?

Yes [ ☐ ] No [ ☒ ]

If yes, complete the Schedule Y - Part 1 - organizational chart.
- 5.1

Has the reporting entity been a party to a merger or consolidation during the period covered by this statement?

Yes [ ☐ ] No [ ☒ ]
- 5.2

If yes, provide the name of entity, NAIC Company Code, and state of domicile (use two letter state abbreviation) for any entity that has ceased to exist as a result of the merger or consolidation.

1 Name of Entity	2 NAIC Company Code	3 State of Domicile
	00000	
	00000	
	00000	
	00000	
	00000	

6.

If the reporting entity is subject to a management agreement, including third-party administrator(s), managing general agent(s), attorney-in-fact, or similar agreement, have there been any significant changes regarding the terms of the agreement or principals involved?

Yes [ ☐ ] No [ ☒ ] N/A [ ☐ ]

If yes, attach an explanation.
- 7.1

State as of what date the latest financial examination of the reporting entity was made or is being made.

08/10/2005
- 7.2

State the as of date that the latest financial examination report became available from either the state of domicile or the reporting entity. This date should be the date of the examined balance sheet and not the date the report was completed or released.

09/19/2005
- 7.3

State as of what date the latest financial examination report became available to other states or the public from either the state of domicile or the reporting entity. This is the release date or completion date of the examination report and not the date of the examination (balance sheet date).

09/19/2005
- 7.4

By what department or departments? Arkansas Insurance Department
- 8.1

Has this reporting entity had any Certificates of Authority, licenses or registrations (including corporate registration, if applicable) suspended or revoked by any governmental entity during the reporting period? (You need not report an action, either formal or informal, if a confidentiality clause is part of the agreement.)

Yes [ ☐ ] No [ ☒ ]
- 8.2

If yes, give full information
- 9.1

Is the company a subsidiary of a bank holding company regulated by the Federal Reserve Board?

Yes [ ☐ ] No [ ☒ ]
- 9.2

If response to 9.1 is yes, please identify the name of the bank holding company.
- 9.3

Is the company affiliated with one or more banks, thrifts or securities firms?

Yes [ ☐ ] No [ ☒ ]
- 9.4

If response to 9.3 is yes, please provide below the names and location (city and state of the main office) of any affiliates regulated by a federal regulatory services agency [i.e. the Federal Reserve Board (FRB), the Office of the Comptroller of the Currency (OCC), the Office of Thrift Supervision (OTS), the Federal Deposit Insurance Corporation (FDIC) and the Securities Exchange Commission (SEC)] and identify the affiliate's primary federal regulator.

1 Affiliate Name	2 Location (City, State)	3 FRB	4 OCC	5 OTS	6 FDIC	7 SEC

GENERAL INTERROGATORIES (Continued)

FINANCIAL

10.1 Does the reporting entity report any amounts due from parent, subsidiaries or affiliates on Page 2 of this statement?

10.2 If yes, indicate any amounts receivable from parent included in the Page 2 amount:

Yes [X] No [ ]

\$

INVESTMENT

11.1 Has there been any change in the reporting entity's own preferred or common stock?

11.2 If yes, explain

Yes [ ] No [X]

12.1 Were any of the stocks, bonds, or other assets of the reporting entity loaned, placed under option agreement, or otherwise made available for use by another person? (Exclude securities under securities lending agreements.)

12.2 If yes, give full and complete information relating thereto:

Yes [ ] No [X]

13. Amount of real estate and mortgages held in other invested assets in Schedule BA:

\$

14. Amount of real estate and mortgages held in short-term investments:

\$

15.1 Does the reporting entity have any investments in parent, subsidiaries and affiliates?

15.2 If yes, please complete the following:

Yes [X] No [ ]

	1	2
	Prior Year-End Book/ Adjusted Carrying Value	Current Quarter Statement Value
15.21 Bonds	\$	\$
15.22 Preferred Stock	\$	\$
15.23 Common Stock	\$ 49,208	\$ 632
15.24 Short-Term Investments	\$	\$
15.25 Mortgage Loans on Real Estate	\$	\$
15.26 All Other	\$	\$
15.27 Total Investment in Parent, Subsidiaries and Affiliates (Subtotal Lines 15.21 to 15.26)	\$ 49,208	\$ 632
15.28 Total Investment in Parent included in Lines 15.21 to 15.26 above	\$	\$

16.1 Has the reporting entity entered into any hedging transactions reported on Schedule DB?

16.2 If yes, has a comprehensive description of the hedging program been made available to the domiciliary state?  
If no, attach a description with this statement.

17. Excluding items in Schedule E, real estate, mortgage loans and investments held physically in the reporting entity's offices, vaults or safety deposit boxes, were all stocks, bonds and other securities, owned throughout the current year held pursuant to a custodial agreement with a qualified bank or trust company in accordance with Part 1-General, Section IV. H-Custodial or Safekeeping Agreements of the NAIC Financial Condition Examiners Handbook?

17.1 For all agreements that comply with the requirements of the NAIC Financial Condition Examiners Handbook, complete the following:

Yes [ ] No [X]

Yes [ ] No [X]

Yes [X] No [ ]

1	2
Name of Custodian(s)	Custodian Address
Stephens Capital Management, Inc.	111 Center Street, Little Rock, AR 72201

17.2 For all agreements that do not comply with the requirements of the NAIC Financial Condition Examiners Handbook, provide the name, location and a complete explanation:

1	2	3
Name(s)	Location(s)	Complete Explanation(s)

17.3 Have there been any changes, including name changes, in the custodian(s) identified in 17.1 during the current quarter?

17.4 If yes, give full and complete information relating thereto:

Yes [ ] No [X]

1	2	3	4
Old Custodian	New Custodian	Date of Change	Reason

17.5 Identify all investment advisors, broker/dealers or individuals acting on behalf of broker/dealers that have access to the investment accounts, handle securities and have authority to make investments on behalf of the reporting entity:

1	2	3
Central Registration Depository	Name(s)	Address

18.1 Have all the filing requirements of the Purposes and Procedures Manual of the NAIC Securities Valuation Office been followed?

18.2 If no, list exceptions:

Yes [X] No [ ]

SCHEDULE A - VERIFICATION

Real Estate

	1	2
	Year To Date	Prior Year Ended December 31
1. Book/adjusted carrying value, December 31 of prior year	7,293,240	7,456,217
2. Increase (decrease) by adjustment	(92,886)	(162,977)
3. Cost of acquired	390,916	
4. Cost of additions to and permanent improvements	82,361	
5. Total profit (loss) on sales		
6. Increase (decrease) by foreign exchange adjustment		
7. Amount received on sales		
8. Book/adjusted carrying value at end of current period	7,673,631	7,293,240
9. Total valuation allowance		
10. Subtotal (Lines 8 plus 9)	7,673,631	7,293,240
11. Total nonadmitted amounts	2,874,655	2,718,624
12. Statement value, current period (Page 2, real estate lines, Net Admitted Assets column)	4,798,976	4,574,616

SCHEDULE B - VERIFICATION

Mortgage Loans

	1	2
	Year To Date	Prior Year Ended December 31
1. Book value/recorded investment excluding accrued interest on mortgages owned, December 31 of prior year		
2. Amount loaned during period:		
2.1 Actual cost at time of acquisitions		
2.2 Additional investment made after acquisitions		
3. Accrual of discount and mortgage interest points and commitment fees		
4. Increase (decrease) by adjustment		
5. Total profit (loss) on sale		
6. Amounts paid on account or in full during the period		
7. Amortization of premium		
8. Increase (decrease) by foreign exchange adjustment		
9. Book value/recorded investment excluding accrued interest on mortgages owned at end of current period		
10. Total valuation allowance		
11. Subtotal (Lines 9 plus 10)		
12. Total nonadmitted amounts		
13. Statement value of mortgages owned at end of current period (Page 2, mortgage lines, Net Admitted Assets column)		

SCHEDULE BA - VERIFICATION

Other Invested Assets Included in Schedule BA

	1	2
	Year To Date	Prior Year Ended December 31
1. Book/adjusted carrying value of long-term invested assets owned, December 31 of prior year		
2. Cost of acquisitions during period:		
2.1 Actual cost at time of acquisitions		
2.2 Additional investment made after acquisitions		
3. Accrual of discount		
4. Increase (decrease) by adjustment		
5. Total profit (loss) on sale		
6. Amounts paid on account or in full during the period		
7. Amortization of premium		
8. Increase (decrease) by foreign exchange adjustment		
9. Book/adjusted carrying value of long-term invested assets at end of current period		
10. Total valuation allowance		
11. Subtotal (Lines 9 plus 10)		
12. Total nonadmitted amounts		
13. Statement value of long term invested assets at end of current period (Page 2, Line 7, Column 3)		

SCHEDULE D - VERIFICATION

Bonds and Stocks

	1	2
	Year To Date	Prior Year Ended December 31
1. Book/adjusted carrying value of bonds and stocks, December 31 of prior year	19,187,237	18,453,684
2. Cost of bonds and stocks acquired	14,727,784	6,054,557
3. Accrual of discount		
4. Increase (decrease) by adjustment	483,858	145,844
5. Increase (decrease) by foreign exchange adjustment		
6. Total profit (loss) on disposal	72,310	15,368
7. Consideration for bonds and stocks disposed of	14,451,038	5,482,216
8. Amortization of premium		
9. Book/adjusted carrying value, current period	20,020,151	19,187,237
10. Total valuation allowance		
11. Subtotal (Lines 9 plus 10)	20,020,151	19,187,237
12. Total nonadmitted amounts	46,000	
13. Statement value	19,974,151	19,187,237



SCHEDULE D - PART 1B

Showing the Acquisitions, Dispositions and Non-Trading Activity  
During the Current Quarter for all Bonds and Preferred Stock by Rating Class

	1 Book / Adjusted Carrying Value Beginning of Current Quarter	2 Acquisitions During Current Quarter	3 Dispositions During Current Quarter	4 Non-Trading Activity During Current Quarter	5 Book / Adjusted Carrying Value End of First Quarter	6 Book / Adjusted Carrying Value End of Second Quarter	7 Book / Adjusted Carrying Value End of Third Quarter	8 Book / Adjusted Carrying Value December 31 Prior Year
<b>BONDS</b>								
1. Class 1	11,116,638	345,633	2,292,024	(2,872)	10,442,388	11,116,638	9,167,375	14,259,656
2. Class 2	1,903,993	2,138,179		2,844	2,311,433	1,903,993	4,045,016	1,424,513
3. Class 3								
4. Class 4								
5. Class 5								
6. Class 6								
7. Total Bonds	13,020,631	2,483,812	2,292,024	(28)	12,753,821	13,020,631	13,212,391	15,684,169
<b>PREFERRED STOCK</b>								
8. Class 1								
9. Class 2								
10. Class 3								
11. Class 4								
12. Class 5								
13. Class 6								
14. Total Preferred Stock								
15. Total Bonds & Preferred Stock	13,020,631	2,483,812	2,292,024	(28)	12,753,821	13,020,631	13,212,391	15,684,169

SCHEDULE DA - PART 1

Short-Term Investments Owned End of Current Quarter

	1	2	3	4	5
	Book/Adjusted Carrying Value	Par Value	Actual Cost	Interest Collected Year To Date	Paid for Accrued Interest Year To Date
8299999Totals		X X X			

SCHEDULE DA - PART 2 - VERIFICATION

Short-Term Investments Owned

	1	2
	Year To Date	Prior Year Ended December 31
1. Book/adjusted carrying value, December 31 of prior year		
2. Cost of short-term investments acquired		
3. Increase (decrease) by adjustment		
4. Increase (decrease) by foreign exchange adjustment		
5. Total profit (loss) on disposal of short-term investments		
6. Consideration received on disposal of short-term investments		
7. Book/adjusted carrying value, current period		
8. Total valuation allowance		
9. Subtotal (Lines 7 plus 8)		
10. Total nonadmitted amounts		
11. Statement value (Lines 9 minus 10)		
12. Income collected during period		
13. Income earned during period		



SCHEDULE DB - PART F - SECTION 2

Reconciliation of Replicated (Synthetic) Assets Open

	First Quarter		Second Quarter		Third Quarter		Fourth Quarter		Year To Date	
	1	2	3	4	5	6	7	8	9	10
	Number of Positions	Total Replicated (Synthetic) Assets Statement Value	Number of Positions	Total Replicated (Synthetic) Assets Statement Value	Number of Positions	Total Replicated (Synthetic) Assets Statement Value	Number of Positions	Total Replicated (Synthetic) Assets Statement Value	Number of Positions	Total Replicated (Synthetic) Assets Statement Value
1. Beginning Inventory										
2. Add:   Opened or Acquired Transactions										
3. Add:   Increases in Replicated Asset Statement Value	X X X		X X X		X X X		X X X		X X X	
4. Less:   Closed or Disposed of Transactions										
5. Less:   Positions Disposed of for Failing Effectiveness Criteria										
6. Less:   Decreases in Replicated (Synthetic) Asset Statement Value	X X X		X X X		X X X		X X X		X X X	
7. Ending Inventory										

NONE



SCHEDULE T - PREMIUMS AND OTHER CONSIDERATIONS

Current Year to Date - Allocated by States and Territories

			1	2	Direct Business Only Year To Date					
					3	4	5	6	7	8
State, Etc.			Guaranty Fund (Yes or No)	Is Insurer Licensed (Yes or No)	Accident and Health Premiums	Medicare Title XVIII	Medicaid Title XIX	Federal Employees Health Benefits Program Premiums	Life and Annuity Premiums and Deposit-Type Contract Funds	Property/ Casualty Premiums
1.	Alabama	AL	NO	NO	42,126,718					
2.	Alaska	AK	NO	NO						
3.	Arizona	AZ	NO	NO						
4.	Arkansas	AR	YES	YES						
5.	California	CA	NO	NO						
6.	Colorado	CO	NO	NO						
7.	Connecticut	CT	NO	NO						
8.	Delaware	DE	NO	NO						
9.	Dist. Columbia	DC	NO	NO						
10.	Florida	FL	NO	NO						
11.	Georgia	GA	NO	NO						
12.	Hawaii	HI	NO	NO						
13.	Idaho	ID	NO	NO						
14.	Illinois	IL	NO	NO						
15.	Indiana	IN	NO	NO						
16.	Iowa	IA	NO	NO						
17.	Kansas	KS	NO	NO						
18.	Kentucky	KY	NO	NO						
19.	Louisiana	LA	NO	NO						
20.	Maine	ME	NO	NO						
21.	Maryland	MD	NO	NO						
22.	Massachusetts	MA	NO	NO						
23.	Michigan	MI	NO	NO						
24.	Minnesota	MN	NO	NO						
25.	Mississippi	MS	NO	NO						
26.	Missouri	MO	NO	NO						
27.	Montana	MT	NO	NO						
28.	Nebraska	NE	NO	NO						
29.	Nevada	NV	NO	NO						
30.	New Hampshire	NH	NO	NO						
31.	New Jersey	NJ	NO	NO						
32.	New Mexico	NM	NO	NO						
33.	New York	NY	NO	NO						
34.	North Carolina	NC	NO	NO						
35.	North Dakota	ND	NO	NO						
36.	Ohio	OH	NO	NO						
37.	Oklahoma	OK	NO	NO						
38.	Oregon	OR	NO	NO						
39.	Pennsylvania	PA	NO	NO						
40.	Rhode Island	RI	NO	NO						
41.	South Carolina	SC	NO	NO						
42.	South Dakota	SD	NO	NO						
43.	Tennessee	TN	NO	NO						
44.	Texas	TX	NO	NO						
45.	Utah	UT	NO	NO						
46.	Vermont	VT	NO	NO						
47.	Virginia	VA	NO	NO						
48.	Washington	WA	NO	NO						
49.	West Virginia	WV	NO	NO						
50.	Wisconsin	WI	NO	NO						
51.	Wyoming	WY	NO	NO						
52.	American Samoa	AS	NO	NO						
53.	Guam	GU	NO	NO						
54.	Puerto Rico	PR	NO	NO						
55.	U.S. Virgin Islands	VI	NO	NO						
56.	Canada	CN	NO	NO						
57.	Aggregate other alien	OT	X X X	X X X						
58.	Subtotal		X X X	X X X	42,126,718					
59.	Reporting entity contributions for Employee Benefit Plans		X X X	X X X						
60.	Total (Direct Business)		X X X	(a) 1	42,126,718					

DETAILS OF WRITE-INS						
5701. ....						
5702. ....						
5703. ....						
5798. Summary of remaining write-ins for Line 57 from overflow page						
5799. Totals (Lines 5701 through 5703 plus 5798) (Line 57 above)						

(a) Insert the number of yes responses except for Canada and other Alien.

**SCHEDULE Y - INFORMATION CONCERNING ACTIVITIES OF INSURER MEMBERS OF A HOLDING COMPANY GROUP**  
**PART 1 - ORGANIZATIONAL CHART**

00000

0000000000

**NONE**

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**OVERFLOW PAGE FOR WRITE-INS**

---



# NONE

# NONE

1  Description of Property	Location		4  Date Acquired	5  Name of Vendor	6  Actual Cost	7  Amount of Encumbrances	8 Book/Adjusted Carrying Value Less Encumbrances	9 Expended for Additions and Permanent Improvements
	2  City	3  State						
27010 Highway 107 (Part of SE 1/4 SW 1/4 of S23 T4N R11ww Pulaski County)	Jacksonville	Arkansas	09/06/2005	Steve and Gina Mitchell	390,916		390,916	
0199999 Acquired by Purchase					390,916		390,916	
9999999 Totals					390,916		390,916	

# NONE

# NONE

[illegible]

Statement as of September 30, 2005 of the **Delta Dental Plan of Arkansas, Inc.**

## SCHEDULE B - PART 1

Showing All Mortgage Loans ACQUIRED During the Current Quarter

[illegible]

## SCHEDULE B - PART 2

Showing All Mortgage Loans SOLD, Transferred or Paid in Full During the Current Quarter

[illegible]

**NONE**

**NONE**

[illegible]

**NONE**

**NONE**

[illegible]

SCHEDULE D - PART 3

Show All Long-Term Bonds and Stock Acquired by the Company During the Current Quarter

1	2	3	4	5	6	7	8	9	10
CUSIP Identification	Description	Foreign	Date Acquired	Name of Vendor	Number of Shares of Stock	Actual Cost	Par Value	Paid for Accrued Interest and Dividends	NAIC Designation or Market Indicator (a)
912828DG2	U S Treasury Bond		08/11/2005	Stephens Capital Management		195,563	200,000.00	552	1
912828EE6	U S Treasury Bond		09/23/2005	Stephens Capital Management		150,070	150,000.00	728	1
0399999	Total Bonds U. S. Government				X X X	345,633	350,000.00	1,280	X X X
31359MTZ6	Federal National Mortgage Assn		08/04/2005	Stephens Capital Management		385,964	400,000.00	6,139	2
31359MUT8	Federal National Mortgage Assn		08/04/2005	Stephens Capital Management		678,447	700,000.00	8,823	2
31359MUE1	Federal National Mortgage Assn		08/05/2005	Stephens Capital Management		486,560	500,000.00	5,707	2
3134A4UD4	Federal Home Loan Mortgage Assn		08/05/2005	Stephens Capital Management		587,208	600,000.00	8,640	2
1099999	Total Bonds All Other Government				X X X	2,138,179	2,200,000.00	29,309	X X X
6099997	Total Bonds Part 3				X X X	2,483,812	2,550,000.00	30,589	X X X
6099998	Summary Item from Part 5 for Bonds				X X X	X X X	X X X	X X X	X X X
6099999	Total Bonds				X X X	2,483,812	2,550,000.00	30,589	X X X
013817101	Alcoa Inc		07/05/2005	Stephens Capital Management	390.000	10,226			L
044209104	Ashland Inc		07/05/2005	Stephens Capital Management	140.000	8,599			L
413619107	Harrahs Entertainment Inc		07/05/2005	Stephens Capital Management	870.000	63,484			L
55262L100	MBNA Corporation		07/05/2005	Stephens Capital Management	3,060.000	78,152			L
526057104	Lenner Corporation (Class A)		07/05/2005	Stephens Capital Management	230.000	14,635			L
044204105	Marathon Oil Corporation (Stock Dividend)		07/05/2005	Stephens Capital Management	213.000				L
902124106	Tyco International Ltd		07/05/2005	Stephens Capital Management	120.000	3,514			L
792860108	St Paul Travelers Companies Inc		08/11/2005	Stephens Capital Management	365.000	16,232			L
881609101	Tesoro Corporation		09/07/2005	Stephens Capital Management	525.000	33,511			L
013716105	Alcan Aluminum Limited		07/05/2005	Stephens Capital Management	1,265.000	37,312			L
044209104	Ashland Inc		07/05/2005	Stephens Capital Management	335.000	20,268			L
074002106	Bearingpoint Inc		07/05/2005	Stephens Capital Management	1,185.000	9,077			L
413619107	Harrahs Entertainment Inc		07/05/2005	Stephens Capital Management	520.000	38,012			L
61945A107	The Mosaic Company		07/05/2005	Stephens Capital Management	1,095.000	18,341			L
044204105	Marathon Oil Corporation (Stock Dividend)		07/05/2005	Stephens Capital Management	439.000				L
013104104	Albertson Incorporated		08/11/2005	Stephens Capital Management	670.000	13,393			L
844030106	Southern Union Company (Stock Dividend)		09/01/2005	Stephens Capital Management	96.750				L
80556T106	Saxon Capital Inc		09/07/2005	Stephens Capital Management	3,340.000	41,902			L
881609101	Tesoro Corporation		09/07/2005	Stephens Capital Management	1,230.000	78,860			L
6899999	Total Common Stock Industrial and Miscellaneous				X X X	485,518	X X X		X X X
7299997	Total Common Stock Part 3				X X X	485,518	X X X		X X X
7299998	Summary Item from Part 5 for Common Stocks				X X X	X X X	X X X	X X X	X X X

(a) For all common stock bearing the NAIC market indicator "U" provide: the number of such issues . . . . . 0 . .

## SCHEDULE D - PART 3

**Show All Long-Term Bonds and Stock Acquired by the Company During the Current Quarter**

[illegible]

(a) For all common stock bearing the NAIC market indicator "U" provide: the number of such issues	0
---	---

SCHEDULE D - PART 4

Show All Long-Term Bonds and Stock Sold, Redeemed or Otherwise Disposed of by the Company During the Current Quarter

1	2	3	4	5	6	7	8	9	10	Change in Book/Adjusted Carrying Value					16	17	18	19	20	21	22
										11	12	13	14	15							
CUSIP Ident- ification	Description	F o r e i g n	Disposal Date	Name of Purchaser	Number of Shares of Stock	Consid- eration	Par Value	Actual Cost	Prior Year Book/ Adjusted Carrying Value	Unrealized Valuation Increase/ (Decrease)	Current Year's (Amort- ization)/ Accretion	Current Year's Other Than Temporary Impairment Recognized	Total Change in B./A.C.V. (11+12-13)	Total Foreign Exchange Change in B./A.C.V.	Book/ Adjusted Carrying Value at Disposal Date	Foreign Exchange Gain (Loss) on Disposal	Realized Gain (Loss) on Disposal	Total Gain (Loss) on Disposal	Bond Interest/ Stock Dividends Received During Year	Maturity Date	NAIC Desig- nation or Market Indicator (a)
9128272JO	U S Treasury Bond		08/04/2005	Market			370,000.00	391,391												02/15/2007	1
9128272JO-2	U S Treasury Bond		08/04/2005	Market			220,000.00	232,650												02/15/2007	1
9128272JO-3	U S Treasury Bond		08/04/2005	Market			365,000.00	387,755												02/15/2007	1
9128272JO-4	U S Treasury Bond		08/04/2005	Market		1,169,700	170,000.00	182,783			(7,562)		(7,562)		1,144,288		25,412	25,412		02/15/2007	1
9128272U5	U S Treasury Bond		08/05/2005	Market			365,000.00	393,059												05/15/2007	1
9128272U5-2	U S Treasury Bond		08/05/2005	Market			250,000.00	269,063												05/15/2007	1
9128272U5-3	U S Treasury Bond		08/05/2005	Market			335,000.00	362,271												05/15/2007	1
9128272U5-4	U S Treasury Bond		08/05/2005	Market		1,161,738	170,000.00	185,957			(9,448)		(9,448)		1,147,736		14,002	14,002		05/15/2007	1
0399999	Subtotal - Bonds - U.S. Governments				X X X	2,331,438	2,245,000.00	2,404,929			(17,010)		(17,010)		2,292,024		39,414	39,414		X X X	X X X
6099997	Subtotal - Bonds - Part 4				X X X	2,331,438	2,245,000.00	2,404,929			(17,010)		(17,010)		2,292,024		39,414	39,414		X X X	X X X
6099998	Summary Item from Part 5 for Bonds				X X X	X X X	X X X	X X X	X X X	X X X	X X X	X X X	X X X	X X X	X X X	X X X	X X X	X X X	X X X	X X X	X X X
6099999	Total Bonds				X X X	2,331,438	2,245,000.00	2,404,929			(17,010)		(17,010)		2,292,024		39,414	39,414		X X X	X X X
AET	AETNA Inc		07/05/2005	Market	605.000	50,769		38,408									12,361	12,361			L
CD	Cendant Corporation		07/05/2005	Market	160.000	3,590		3,643									(53)	(53)			L
FE	Firstenergy Corporation		07/05/2005	Market	90.000	4,363		3,600									763	763			L
FPL	FPL Group		07/05/2005	Market	90.000	3,877		3,394									483	483			L
HCA	HCA Inc		07/05/2005	Market	130.000	7,400		5,797									1,603	1,603			L
MRO	Marathon Oil Corporation		07/20/2005	Market	0.942	49											49	49			L
PFG	Principal Financial Group		07/05/2005	Market	300.000	12,821		12,102									719	719			L
SUN	Sunoco Inc		07/05/2005	Market	80.000	9,623		6,948									2,675	2,675			L
WM	Washington Mutual Inc		07/05/2005	Market	250.000	10,262		10,193									69	69			L
YUM	Yum Brands Inc		07/19/2005	Market	170.000	8,894		7,757									1,137	1,137			L
ALL	Allstate Corporation		08/11/2005	Market	370.000	21,415		18,855									2,560	2,560			L
ASH	Ashland Inc		09/07/2005	Market	505.000	30,579		34,577									(3,998)	(3,998)			L
KRB	MBNA Corporation		09/07/2005	Market	1,265.000	32,016		32,308									(292)	(292)			L
SUN	Sunono Inc		09/07/2005	Market	800.000	62,105		34,740									27,365	27,365			L
																					L
HNT	Health Net Inc		07/05/2005	Market	2,485.000	94,931		74,385									20,546	20,546			L
LQI	La Quinta Corporation		07/05/2005	Market	865.000	8,122		7,785									337	337			L
MOS	The Mosaic Company		06/21/2005	Market	500.000	7,885		7,742									143	143			L
AFR	American Financial Realty Trust		07/19/2005	Market	870.000	13,232		13,409									(177)	(177)			L
SUG	Southern Union		07/19/2005	Market	970.000	24,521		22,401									2,120	2,120			L
FPL	FPL Group		08/11/2005	Market	120.000	4,980		4,487									493	493			L

(a) For all common stock bearing the NAIC market indicator "U" provide: the number of such issues 0



**Showing all Options, Caps, Floors and Insurance Futures Options Owned at Current Statement Date**

[illegible]

**Showing all Options, Caps, Floors and Insurance Futures Options Written and In-Force at Current Statement Date**

[illegible]



## SCHEDULE DB - PART C - SECTION 1

**Showing all Collar, Swap and Forwards Open at Current Statement Date**

[illegible]

## SCHEDULE DB - PART D - SECTION 1

**Showing all Futures Contracts and Insurance Futures Contracts Open at Current Statement Date**

1  Description	2  Number of Contracts	3  Maturity Date	4  Original Value	5  Current Value	6  Variation Margin	7  Date of Opening Position	8  Exchange or Counterparty	9  Cash Deposit	Variation Margin Information			13  Potential Exposure
									10  Recognized	11  Used to Adjust Basis of Hedged Item	12  Deferred	
					NONE							



**Delta Dental Plan of Arkansas, Inc.**

## SCHEDULE E - PART 2 - CASH EQUIVALENTS

**Show Investments Owned End of Current Quarter**[illegible]